GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

STARRED QUESTION NO:239
ANSWERED ON:14.03.2016
Foreign Investment Cap for FIIs
Marutharajaa Shri R.P.

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the investment cap for Foreign Institutional Investors (FIIs) has been retained for banking and defence sectors and if so, the details thereof;

(b) whether the fly-by-night operators are not allowed to enter and exit these two sensitive sectors; and

(c) if so, the details thereof along with the reasons therefor?

Answer

???????? ??? ?????? ????????????? (????????? ??????)(??????? ??????? ???????)
THE MINISTER OF STATE (INDEPENDENT CHARGE)
OF THE MINISTRY OF COMMERCE & INDUSTRY
(SHRIMATI NIRMALA SITHARAMAN)

(a) to (c): A Statement is laid on the Table of the House.

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STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF THE LOK SABHA STARRED QUESTION NO. 239 FOR ANSWER ON 14TH MARCH, 2016 REGARDING FOREIGN INVESTMENT CAP FOR FIIs.

(a): The Government vide Press Note 12 (2015) issued on 24.11.2015 has liberalised and simplified the FDI policy in a number of sectors. Following changes have been inter-alia made in Defence and Private Banking:
In the Defence Sector, portfolio investment and investment by Foreign Venture Capital Investors (FVCIs) has been allowed up to permitted automatic route level of 49%.
In Banking-Private sector, Government has decided to introduce full fungibility of foreign investment. Accordingly, Foreign Institutional Investors (FIIs)/ Foreign Portfolio Investors (FPIs)/ Qualified Foreign Investors (QFIs), following due procedure, can now invest up to sectoral limit of 74%, provided that there is no change of control and management of the investee company.
In Banking- Public Sector, there is no sublimit of FII investment.

(b) & (c): The Government values each category of foreign investment permissible under FDI policy, as provided in the Consolidated FDI Policy Circular 2015 and amended from time to time.
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